**IN THE UNITED STATES DISTRICT COURT**
**FOR THE DISTRICT OF PUERTO RICO**

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| ORIENTAL FINANCIAL GROUP INC.; ORIENTAL BANK AND TRUST; and ORIENTAL FINANCIAL SERVICES CORP.<br><br>Plaintiffs,<br><br>v.<br><br>COOPERATIVA DE AHORRO Y CREDITO ORIENTAL,<br><br>Defendant. | : | Case No. 10-1444<br><br>Re:<br><br>Service Mark Infringement<br>Cybersquatting<br>Service Mark Dilution<br>Unfair Competition |

**VERIFIED COMPLAINT**

TO THE HONORABLE COURT:

COME NOW plaintiffs Oriental Financial Group Inc., Oriental Bank and Trust, and Oriental Financial Services Corp. (collectively, "Oriental Group"), through the undersigned attorneys, and respectfully state, allege and pray as follows:

1. This is a civil action for federal service mark infringement, false designation of origin and false representations in violation of Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a); for violations of the Anti-cybersquatting Consumer Protection Act, 15 U.S.C. § 1124, *et seq.*; for service mark dilution in violation of Section 43(c) of the Lanham Act, also known as the federal Trademark Dilution Revision Act of 2006, Pub. L. No. 109-312, 120 Stat. 1730 (amending 15 U.S.C. § 1125(c)); for service mark infringement pursuant to the Puerto Rico Trademark Act of 2009 (Law 169 of Dec. 16, 2009), and for unfair competition and deceptive trade practices under Article 1802 of the Puerto Rico Civil Code, 31 P.R. Laws Ann. § 5141.

2. Oriental Group hereby seeks (1) preliminary and permanent injunctive relief against defendant Cooperativa de Ahorro y Crédito Oriental ("Defendant")'s unlawful use and exploitation of the name COOP ORIENTAL and any other trademark confusingly similar to Oriental Group's ORIENTAL mark and family of marks; (2) all damages and losses arising from Defendant's infringements and other violations; and (3) reimbursement of Oriental Group's attorneys' fees and costs.

## I. JURISDICTION AND VENUE

3. This action arises under the Trademark Act of 1946, 15 U.S.C. §§ 1051 et seq., including without limitation the Anti-cybersquatting Consumer Protection Act (ACPA), 15 U.S.C. § 1125(d), and the laws of the Commonwealth of Puerto Rico. This Court has subject matter jurisdiction over Oriental Group's claims pursuant to 28 U.S.C. §§ 1331, 1338(a) and (b) as well as 15 U.S.C. §§ 1121 and 1125(d). It has supplemental jurisdiction over the Puerto Rico law claims pursuant to 28 U.S.C. § 1367(a).

4. Venue is proper under 28 U.S.C. § 1391(b) and (c) because a substantial part of the events giving rise to the claims occurred in this judicial district.

## II. THE PARTIES

5. Co-plaintiff Oriental Financial Group Inc. ("Oriental Financial Group") is a publicly-owned financial holding company organized and existing under the laws of the Commonwealth of Puerto Rico with its principal place of business at 997 San Roberto Street, Professional Offices Park, San Juan, Puerto Rico 00926. Oriental Financial Group provides comprehensive financial services to its clients through a complete range of banking and financial solutions through its four subsidiaries: Oriental Bank and Trust, Oriental Financial Services Corp., Oriental Insurance, Inc. and Caribbean Pension Consultants, Inc.

6. Co-plaintiff Oriental Bank and Trust ("Oriental Bank"), Oriental Group's main subsidiary, is a full-service Puerto Rico commercial bank with its main office located in San Juan, Puerto Rico. Oriental Bank has 43 branches throughout Puerto Rico.

7. Co-plaintiff Oriental Financial Services Corp. ("Oriental Financial Services") is a Puerto Rico corporation engaged in securities brokerage and investment banking activities.

8. On information and belief, defendant Cooperativa de Ahorro y Crédito Oriental is a corporation organized and existing under the laws of the Commonwealth of Puerto Rico with its principal place of business at Font Arvelo Avenue, PO Box 876, Humacao, Puerto Rico.

## III. FACTS RELEVANT TO ALL CAUSES OF ACTION

### A. Oriental Group's ORIENTAL Marks

9. Oriental Group owns all rights, common law and otherwise, in and to the ORIENTAL mark and the ORIENTAL family of marks (individually and collectively, the "ORIENTAL Marks") in connection with the advertising, promotion and offering of financial services in the United States, including Puerto Rico.

10. The mark ORIENTAL was first used in 1964 by Oriental Bank's predecessor-in-interest, Oriental Federal Savings and Loan Association of Puerto Rico ("Oriental Federal Savings"). Oriental Federal Savings was chartered by the Federal Home Loan Bank Board in 1964 as a federal mutual savings and loan association and operated its business under the name "Oriental Federal Savings" (Exhibit A.) It became a federal mutual savings bank in July 1983 and converted to a federal stock savings bank in April 1987. Its conversion from a savings bank to a commercial bank chartered under the banking law of the Commonwealth of Puerto Rico took place on June 30, 1994.

11. Since then, Oriental Bank has operated as a full-service commercial bank. Its services include commercial and consumer lending, mortgage products, saving and time deposit products, financial planning, and corporate and individual trust services. Oriental Bank has continued its island-wide expansion and currently operates 43 financial centers[1] throughout the island.

12. Oriental Financial Services is engaged in securities brokerage and investment banking activities. It offers securities brokerage services covering various investment alternatives such as tax-advantaged fixed income securities, mutual funds, stocks, and bonds to retail and institutional clients.

13. As of December 31, 2009, Oriental Financial Group managed and owned $9.6 billion in total financial assets, making it a leading financial services group in Puerto Rico.

14. Over the years, Oriental Group has continually expanded its use of the ORIENTAL Marks in connection with financial service products. Among the uses of the ORIENTAL Mark in connection with the Oriental Group's businesses, services and products are: ORIENTAL GROUP, ORIENTAL FINANCIAL GROUP, ORIENTAL BANK AND TRUST, ORIENTAL FINANCIAL SERVICES, ORIENTAL MORTGAGE, ORIENTAL INSURANCE, ORIENTALONLINE.COM, ORIENTAL TE ORIENTA, ORIENTAL MONEY, ORIENTAL AMIGA, ORIENTAL PREFERRED and ORIENTAL KIDS.

15. Many of the ORIENTAL Marks are the subject of applications for registration and existing registrations issued by the United States Patent and Trademark Office ("USPTO") or the Puerto Rico Trademark Office ("PRTO"), including the following marks:

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[1] Twenty-one of those branches operate under the ORIENTAL mark, while the rest were recently acquired as part of the acquisition of certain Eurobank assets. The latter branches are being transitioned to the ORIENTAL mark.

| OWNER | MARK | NUMBER | CLASS OF SERVICES | REGISTRATION DATE |
|---|---|---|---|---|
| Oriental Financial Group | ORIENTAL | 77924601 | 36 –financial services | Pending at the USPTO: Filed on February 1, 2010 |
| Oriental Bank | IRA EXTENDIBLE DE ORIENTAL | 48501 | 36 | Feb. 7, 2000 |
| Oriental Bank | IRA EXTENDIBLE EXTENTA DE ORIENTAL | 48509 | 36 | Feb. 7, 2000 |
| Oriental Bank | ORIENTAL AMIGA | 51217 | 36 | Nov. 14, 2001 |
| Oriental Bank | ORIENTALONLINE.COM | 51952 | 36 | Feb. 5, 2002 |
| Oriental Bank | ORIENTALONLINE.COM | 51954 | 35 - advertising | Feb. 5, 2002 |
| Oriental Bank | ORIENTAL TE ORIENTA | 53696 | 35 | May 29, 2002 |
| Oriental Bank | ORIENTAL TE ORIENTA | 53697 | 36 | May 29, 2002 |
| Oriental Bank | ORIENTAL PREFERRED & LOGO | 61124 | 36 | April 30, 2004 |
| Oriental Bank | ORIENTAL KIDS (STYLIZED) | 63363 | 36 | Nov. 12, 2004 |
| Oriental Financial Services | ORIENTAL FINANCIAL SERVICES | 64411 | 36 | June 16, 2008 |
| Oriental Bank | ORIENTAL AMIGA & LOGO | 64784 | 36 | April 5, 2005 |
| Oriental Bank | ORIENTAL MONEY | 68161 | 36 | March 9, 2006 |
| Oriental Financial Group | ORIENTAL | 70187; 70188 | 36 | Pending at the PRTO: Filed on February 2, 2010 |

16. The ORIENTAL Marks also include the distinctive trade dress of the Oriental Group brand and corporate identity, which features hues of the color orange as its primary component. The Oriental Group uses the color orange consistently in most of its advertising, as well as in its printed and online publications.

17. The ORIENTAL Marks are inherently distinctive. In the alternative, by virtue of the decades-long extensive and substantially exclusive use of the ORIENTAL Marks by Oriental Group, including the wide geographic distribution in and outside of Puerto Rico and the marketing, promotion and sale of Oriental Group's financial services, the ORIENTAL Marks have acquired distinctiveness in the mind of the purchasing public. Financial products and services bearing the ORIENTAL Marks, and marketed in connection with them, are immediately associated by the purchasing public with Oriental Group.

18. Oriental Group and its predecessors-in-interest have invested millions of dollar in advertising and promoting the ORIENTAL Marks during Oriental Group's expansion throughout Puerto Rico. The combined advertising and business promotion expenditures for the years 2007 through 2009 totaled approximately $12,650,000, of which $4,208,000 was spent in the year 2009 alone. Oriental Group's advertising and promotional efforts for the ORIENTAL services target Puerto Rico and the rest of the United States media through the internet, newspapers, television, and other media, including Oriental Group's official websites located at <orientalonline.com> and <orientalfg.com>.

19. As a result of Oriental Group's promotional efforts over the past 46 years, the ORIENTAL family of marks has developed widespread recognition and valuable goodwill in Puerto Rico and the rest of the United States. The ORIENTAL Marks and the goodwill associated therewith are of inestimable value to Oriental Group.

20. Due to Oriental Group's longstanding use of the ORIENTAL Marks, Oriental Group has the exclusive right to use the ORIENTAL mark in connection with financial services.

**B. <u>Defendant's Infringement of the ORIENTAL Marks.</u>**

21. Defendant owns and operates a financial services firm in the municipality of Humacao.

22. On information and belief, Defendant offers a complete line of commercial and personal financial products including loans, lines of credit, checking and savings deposit accounts, certificates of deposit, credit cards, financing, mortgages, among others.

23. On information and belief, until about 2009, Defendant did business exclusively or essentially exclusively under the name "Cooperativa de Ahorro y Crédito Oriental". Further, until about 2009, Defendant's business operated exclusively in the Municipality of Humacao,

except possibly a single office located in the town of Loiza. Defendant did not have any other offices or branches.

24. In or around 2009, Defendant first established operations outside of Humacao by opening two branches in San Juan. In connection therewith, Defendant launched a new brand identity featuring the confusingly similar name COOP ORIENTAL in advertising and sales literature published in a variety of media.

25. Notwithstanding Oriental Group's prior exclusive rights to the ORIENTAL Marks, Defendant adopted and commenced use in interstate commerce of the confusingly similar name COOP ORIENTAL in connection with its financial business and services.

26. Defendant's COOP ORIENTAL name is confusingly similar to plaintiff's ORIENTAL Marks.

27. Further, Defendant's COOP ORIENTAL logo (depicted below) is confusingly similar with the ORIENTAL Marks.

| ORIENTAL GROUP'S LOGO | DEFENDANT'S LOGO |
|---|---|
| ORIENTAL GROUP | COOP ORIENTAL |

28. In terms of its design, Defendant's logo (above, at right) makes prominent use of the term "Oriental". In addition, the color-scheme used in Defendant's logo is confusingly similar to the ORIENTAL marks, particularly the ORIENTAL logo (at left) and Oriental Group's orange-colored trade dress.

29. Defendant's logo uses an orange-colored abbreviation "Coop" instead of the descriptive terms "Cooperativa de Ahorro y Crédito".

30. Far from distinguishing Defendant's services, the use of the term "Coop" in the name COOP ORIENTAL increases the probability that consumers will associate Defendant or its financial services with Oriental Group or its financial services. In other words, a reasonable consumer is likely to believe that COOP ORIENTAL is affiliated or connected with, or sponsored or approved by, Oriental Group.

31. In 2009, Defendant filed an application with the Puerto Rico Trademark Registry to register the mark COOP ORIENTAL and the logo depicted in paragraph 27, *supra*. Said registration was assigned serial no. 64312.

32. Defendant's use of the name COOP ORIENTAL in the promotion and advertising of its businesss and its financial products and services constitutes use in commerce of a colorable imitation, copy and reproduction of Oriental Group's ORIENTAL Marks.

33. On information and belief, Defendant uses the COOP ORIENTAL name in the same types of channels, and they target the same classes of users, as does Oriental Group with its ORIENTAL-branded services.

34. Defendant's promotional efforts include advertisements in newspapers with island-wide circulation, billboards, and an internet web site located at the internet domain name <cooporiental.com> (the "Infringing Domain"). Said Infringing Domain and its associated web site are accessible by consumers from all the markets where Oriental Group has exclusive rights to the ORIENTAL mark, including Puerto Rico.

35. In or about late 2009, Defendant also commenced use of a color scheme similar to the one used by Oriental Group in its trade dress. Defendant's use of the said color scheme is prominently featured on several portions of Defendant's website, including its online banking log-in page. (Exhibit B.)

36. On information and belief, contrary to the island-wide presence of Oriental Group's businesses, services and branches for decades, Defendant, at least until 2009, operated exclusively in the town of Humacao, except possibly for a single office located in the town of Loiza. In or around late 2009, Defendant for the first time opened branch offices in San Juan.

37. On information and belief, until 2009 Defendant used the descriptive name "Cooperativa de Ahorro y Crédito Oriental", exclusively or essentially exclusively, in connection with its business. Moreover, any such use was made exclusively, or nearly exclusively, in Humacao.

38. As a result of Defendant's recent expansion outside of Humacao, Defendant is now offering financial services in San Juan and other geographic areas where Oriental Group has been operating for years.

39. Moreover, on April 18, 2010, Defendant published a full-page color advertisement in the Sunday edition of the El Nuevo Día newspaper which listed a new branch in "Ponce Mall". (Exhibit C.)

40. Defendant's use of the name COOP ORIENTAL in connection with its financial services is deceptively and confusingly similar to Oriental Group's well-known ORIENTAL Marks. The likelihood of confusion is particularly pronounced because Defendant is engaged in the financial services industry and promotes its business using a name that incorporates the ORIENTAL mark in its entirety.

41. Thus, Defendant's COOP ORIENTAL name is essentially identical and substantially similar, orthographically and phonetically, to, and creates the same commercial impression as, the ORIENTAL Marks.

42. Oriental Group did not authorize Defendant to offer financial services bearing a name that is essentially identical and substantially similar to the ORIENTAL Marks.

43. Defendant has no affiliation, association or connection whatever with Oriental Group. Oriental Group does not sponsor, endorse, approve or authorize any of Defendant's activities, including the offering of any financial services using the ORIENTAL mark or any other name confusingly similar thereto in connection therewith.

44. Defendant, without Oriental Group's authorization, express or implied, and with full knowledge of Oriental Group's rights in and to the ORIENTAL Marks, is willfully and knowingly using the COOP ORIENTAL name for the purposes of (a) trading on the goodwill and reputation of Oriental Group's products and related services, (b) capitalizing on the ORIENTAL Marks, and (c) misleading consumers into believing that its business and/or its services are sponsored by or affiliated or connected to Oriental Group, and that Defendant's products and services have characteristics and qualities that are substantially similar to those of Oriental Group.

45. Defendant offers competing financial products and services in many of the categories offered by Oriental Group, including personal and commercial loans, credit cards, mortgages, secured credit lines, certificates of deposit, among others. Thus, the products and services offered by Defendant are in the same class as those offered by Oriental Group.

46. Because of the similarity of the financial products and services offered, Defendant's use of the trade name COOP ORIENTAL is likely to confuse the consuming public into believing that Defendant's services originate from, are affiliated or connected with or are sponsored or approved by Oriental Group.

47. Defendant's unauthorized use of the COOP ORIENTAL name has caused and continues to cause irreparable damage to the reputation and goodwill of Oriental Group, who has no control over the characteristics or qualities of Defendant's activities, products or services.

48. Defendant's unauthorized use of COOP ORIENTAL has caused and continues to cause irreparable damage to the public, who are deceived and confused or who are likely to be deceived or confused as to the origin, association, connection or sponsorship of the Defendant and its services.

49. It is impossible at this time to know with precision how many persons throughout Puerto Rico and the rest of the United States have been confused by Defendant's use of the name COOP ORIENTAL or have been deceived into believing that Oriental Group authorizes, sponsors or approves Defendant's business, its use of the COOP ORIENTAL name or that Defendant is affiliated or connected in any way with Oriental Group.

**C. Pre-Litigation Discussions Between the Parties**

50. On December 9, 2009, Oriental Group's counsel sent a cease-and-desist letter to Defendant regarding the latter's unauthorized and infringing use of the ORIENTAL Marks (including the ORIENTAL trade dress) and the Infringing Domain. (Exhibit D.)

51. On January 13, 2010, Defendant responded, through counsel, with a short e-mail stating that Defendant was amenable to discuss the infringement claims "if further information is provided and/or a meeting is held at your convenience".

52. As requested by Defendant, a meeting between the parties' attorneys was held on February 19, 2010. During the meeting, the parties agreed to exchange documents and information relating to each other's claims and purported defenses. Oriental Group complied diligently with the agreement by producing several documents by e-mail sent to Defendant's

counsel on February 23, 2010. Defendant's counsel produced two (2) undated photographs on March 1, 2010. However, alleged documentary evidence and/or materials promised during the February 19 meeting were not produced by Defendant's counsel.

53. On March 8, 2010, in response to a follow-up email from counsel for Oriental Group, then-counsel for Defendant informed that Defendant had terminated their services and had engaged other counsel.

54. Thereafter, counsel for Oriental Group received a letter dated March 9, 2010, from Defendant's new counsel essentially rejecting the claims set forth in the December 9, 2009 cease-and-desist letter. (Exhibit E.) Nonetheless, the letter indicated that Defendant was interested in discussing an extrajudicial resolution of the dispute. (*See* id. at 3.)

55. Shortly thereafter, on Monday, March 15, 2010, counsel for the Oriental Group received a telephone call from Defendant's new counsel, who reiterated their interest in discussing an extrajudicial resolution of the dispute. The Oriental Group's counsel reminded them that Defendant, through its prior counsel, had agreed to produce certain documents and/or materials as part of the parties' discussions, and requested that the new attorneys produce said documents and/or materials. Counsel for the Oriental Group also offered to meet immediately in order to continue the discussions that had commenced with Defendant's prior counsel. Defendant's new counsel claimed to be unavailable that whole week. Accordingly, the meeting was set for March 24.

56. At the March 24 meeting, the parties' attorneys discussed their clients' respective positions with respect to Oriental Group's legal claims. Defendant's new counsel said they would further discuss the issues with their client and report back within a few days.

57. However, the next day, Defendant filed a 20-page anticipatory declaratory judgment action in the Puerto Rico Court of First Instance, Humacao Part (the "State Court Action"), against Oriental Financial Group, Oriental Bank and Oriental Financial Services. Evidently, Defendant's counsel's alleged unavailability during the week of March 15 did not impede them from preparing said complaint and filing it just 24 hours after promising to further discuss the issues with their client, supposedly in an effort to resolve the dispute extrajudicially.

58. On April 26, 2010, Oriental Group and its subsidiaries removed the State Court Action to this Honorable Court. *See Cooperativa de Ahorro y Crédito Oriental v. Oriental Financial Group Inc., et al.*, Civil No. 10-1343 (CCC).

## IV. CAUSES OF ACTION

### FIRST CAUSE OF ACTION: SERVICE MARK INFRINGEMENT UNDER LANHAM ACT § 43

59. Oriental Group realleges and incorporates by reference the allegations set forth above in paragraphs 1 through 58.

60. Defendant's use of the name COOP ORIENTAL infringes Oriental Group's ORIENTAL Marks and is likely to cause confusion, mistake and deception of the public as to the identity and origin of Defendant and its business, product and services, causing irreparable harm to Oriental Group for which there is no adequate remedy at law.

61. Defendant's use of the name COOP ORIENTAL constitutes a false designation of origin and unregistered trademark infringement in violation of Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a).

62. Oriental Group is informed and believes and thereon alleges that Defendant knew or should have known of Oriental Group's exclusive rights to the ORIENTAL Marks and that, therefore, Defendant's infringement of the ORIENTAL Marks is willful.

63. Oriental Group is entitled to an order enjoining Defendant from using the name COOP ORIENTAL or any other name substantially similar to the ORIENTAL Marks.

64. By reason of the foregoing acts, Defendant is liable to Oriental Group for service mark infringement under 15 U.S.C. § 1125(a).

**SECOND CAUSE OF ACTION:
CYBERSQUATTING IN VIOLATION OF THE ANTICYBERSQUATTING CONSUMER PROTECTION ACT**

65. Oriental Group realleges and incorporates by reference the allegations set forth above in paragraphs 1 through 64.

66. Defendant registered, has used and continues to use the Infringing Domain, <cooporiental.com>

67. The ORIENTAL mark was already distinctive and protectable at the time Defendant registered and/or used the Infringing Domain.

68. The ORIENTAL mark was famous at the time of Defendant's registration and use of the Infringing Domain and is famous and protected under 15 U.S.C. § 1125(c).

69. The Infringing Domain is identical or confusingly similar to the ORIENTAL Marks.

70. Defendant, as domain name registrant, registered and/or has used the Infringing Domain in bad faith and with bad faith intent to profit from Oriental Group's goodwill in the ORIENTAL mark.

71. Defendant does not have any intellectual property rights or any other rights in the ORIENTAL mark or in the Infringing Domain.

72. The Infringing Domain does not consist of the legal name of the Defendant.

73. Defendant's use of the Infringing Domain was and is in federally regulated commerce, consistent with the definition set forth in 15 U.S.C. § 1127.

74. Defendant registered and/or has used the Infringing Domain to divert consumers from Oriental Group's websites to a website accessible at the Infringing Domain for Defendant's commercial gain by creating a likelihood of confusion as to the source, sponsorship, affiliation, or endorsement of the website.

75. Defendant registered and/or has used an Infringing Domain that Defendant knew is dilutive of famous marks owned by Oriental Group.

76. Defendant's registration, use, or trafficking in the Infringing Domain constitutes cybersquatting in violation of 15 U.S.C. § 1125(d), entitling Oriental Group to relief.

77. By reason of Defendant's acts alleged herein, Oriental Group's remedy at law is not adequate to compensate it for the injuries inflicted by Defendant. Accordingly, Oriental Group is entitled to preliminary and permanent injunctive relief pursuant to 15 U.S.C. § 1116 as it relates to the Infringing Domain and any other domain names it owns and/or uses that is identical or confusingly similar to the ORIENTAL mark.

78. By reason of Defendant's acts alleged herein, Oriental Group is entitled to recover Defendant's profits, actual damages and the costs of the action, or statutory damages under 15 U.S.C. § 1117, on election by Oriental Group, in an amount of one hundred thousand dollars ($100,000) for each domain name found to constitute cybersquatting.

**THIRD CAUSE OF ACTION:**
**UNFAIR COMPETITION UNDER LANHAM ACT § 43**

79. Oriental Group realleges and incorporates by reference the allegations set forth above in paragraphs 1 through 78.

80. Defendant's use of the COOP ORIENTAL name is in direct competition with Oriental Group's ORIENTAL-branded services and constitutes unfair competition pursuant to 15 U.S.C. § 1125(a).

81. Defendant's use of the COOP ORIENTAL name is likely to cause confusion, mistake, and deception among consumers. Defendant's unfair competition has caused and will continue to cause damage to Oriental Group, and is causing irreparable harm to Oriental Group for which there is no adequate remedy at law.

**FOURTH CAUSE OF ACTION:**
**SERVICE MARK DILUTION UNDER LANHAM ACT § 43(c)**

82. Oriental Group realleges and incorporates by reference the allegations set forth above in paragraphs 1 through 81.

83. The ORIENTAL Marks are highly distinctive and became famous within the meaning of § 43(c) of the Lanham Act, 15 U.S.C. § 1125(c), well prior to Defendant's first use of the name COOP ORIENTAL.

84. Defendant's use of the COOP ORIENTAL name in the advertising and/or offering of financial services threatens and constitutes dilution of the famous ORIENTAL Marks. Such encroachment on Oriental Group's rights by Defendant began well after the ORIENTAL marks became famous, and is in violation of 15 U.S.C. § 1125(c).

85. Defendant's unauthorized use of the name COOP ORIENTAL has caused, and will continue to cause, the ORIENTAL Marks to suffer negative associations. Defendant's unauthorized use also dilutes the distinctiveness of Oriental Group's famous ORIENTAL mark by diminishing the capacity of the ORIENTAL mark to identify and distinguish Oriental Group's services.

86. Defendant's use of the name COOP ORIENTAL in the manner hereinabove alleged dilutes the distinctive qualities of the famous mark ORIENTAL, and therefore constitutes service mark dilution within the meaning of § 43(c) of the Lanham Act, 15 U.S.C. § 1125(c), as amended.

87. Unless enjoined by this Court, Defendants will continue said acts of service mark dilution, thereby continuing to cause Oriental Group immediate and irreparable injury for which it has no adequate remedy at law.

**FIFTH CAUSE OF ACTION:**
**VIOLATION OF PUERTO RICO TRADEMARK ACT OF 2009**

88. Oriental Group realleges and incorporates by reference the allegations set forth above in paragraphs 1 through 87.

89. Defendant's use of the confusingly similar COOP ORIENTAL name constitutes infringement of Oriental Group's ORIENTAL Marks under the Puerto Rico Trademark Act.

90. Defendant's acts have caused Oriental Group to suffer injury and damages of such a nature that monetary damages alone cannot adequately compensate Oriental Group for the loss suffered.

91. The preceding acts of Defendant are greatly and irreparably damaging to Oriental Group and will continue to be greatly and irreparably damaging to Oriental Group unless enjoined by this Court, and Oriental Group is without an adequate remedy at law.

92. Pursuant to Article 26 of the Puerto Rico Trademark Act, Oriental Group is entitled to recover all damages from Defendant proven at trial.

## SIXTH CAUSE OF ACTION: UNFAIR METHODS OF COMPETITION UNDER PUERTO RICO LAW

93. Oriental Group realleges and incorporates by reference the allegations set forth above in paragraphs 1 through 92.

94. The nature and probable tendency and effect of Defendant's use of the confusingly similar name COOP ORIENTAL in the manner hereinabove alleged are to enable Defendant to confuse and deceive the public by misrepresenting the products and services offered for sale and sold under said mark as sponsored, licensed and/or otherwise approved by, or is in some way connected or affiliated with, Oriental Group. Such conduct constitutes unfair competition at common law, and has caused and, unless enjoined, will continue to cause Oriental Group immediate and irreparable injury for which it has no adequate remedy at law.

95. Defendant's acts complained of above constitute unfair methods of competition in the conduct of trade or commerce in that: a) such acts enable and will continue to enable Defendant to obtain the benefit of, and trade on, the goodwill of the ORIENTAL mark; b) such acts damage and will continue to damage Oriental Group's goodwill in that Oriental Group does not have control over Defendant's business, over the quality of its products and/or over the quality of its services; c) such acts have caused and are likely to continue to cause confusion, mistake or deception of the public; and d) such acts will result in the unjust enrichment of the Defendant.

96. Defendant's negligent or intentional acts have caused Oriental Group to suffer injury and damages, including loss of income, loss of reputation and goodwill, the costs of this litigation, and more.

97. Such acts of Defendant are greatly and irreparably damaging to Oriental Group and will continue to be greatly and irreparably damaging to Oriental Group unless enjoined by this Court, and Oriental Group is without an adequate remedy at law.

98. Section 3 of Act No. 77, 10 P.R. Laws Ann. § 259, provides that unfair methods of competition, as well as unjust and misleading commercial practices, are illegal.

99. Defendant's use of the confusingly similar COOP ORIENTAL name for its business and its services is meant to take advantage of Oriental Group's goodwill and reputation, and is an unfair method of competition. *See, e.g., Posadas de Puerto Rico v. Sand's Hotel & Casino*, 131 D.P.R. 21, 36 (1992).

100. Defendant's intentional or negligent violation of Section 3 of Act No. 77, in addition to their violation of Article 26 of the Puerto Rico Trademark Act of 2009, constitutes fault or negligence as those terms are defined in Article 1802 of the Civil Code of Puerto Rico, 31 P.R. Laws Ann. § 5141, and those acts have caused and continue to cause Oriental Group to suffer the injury and damages identified above.

101. Therefore, pursuant to said Article 1802, Defendant is obligated to indemnify and repair all the damages caused to Oriental Group.

## V. PRAYER FOR RELIEF

WHEREFORE, plaintiff Oriental Group respectfully requests that the Court enter judgment in favor of Oriental Group and against Defendant as follows:

1. Defendant, its agents, servants, employees, representative, successors and assigns and all persons, firms, or corporations in active concert or participation with Defendant, shall be enjoined and restrained, temporarily and permanently, from:

(a) directly or indirectly infringing any of Oriental Group's rights in the ORIENTAL Marks, or diluting the distinctiveness of the ORIENTAL Marks, in any manner, including generally, but not limited to advertising, selling, promoting and/or offering for sale any financial product or service or related goods and services in connection with branding or other use of:

(i) the term ORIENTAL, including stylized depictions thereof;

(ii) any composite trademark that includes the term ORIENTAL; or

(iii) any composite trademark, including design marks and slogans, that comprises the term ORIENTAL,

(b) using any trademark, trade dress, trade name, word, logo or design that consists of or comprises the term ORIENTAL, or engaging in any other activity, in a manner that tends to falsely to represent, or is likely to confuse, mislead, or deceive purchasers, members of the buying public to believe, that:

(i) such marks belong to Defendant;

(ii) products or services advertised, sold and/or offered for sale by Defendant originate from Oriental Group; or

(iii) such products or services have been sponsored, approved, or licensed by, or is associated, connected or affiliated with Oriental Group in any way;

(c) otherwise competing unfairly with Oriental Group in any manner relating to the ORIENTAL Marks; and,

(d) otherwise diluting the distinctiveness of the ORIENTAL Marks and damaging the goodwill associated with the ORIENTAL Trademarks, and/or Oriental Group's reputation and business;

2. Defendant, its agents, servants, employees, representative, successors and assigns and all persons, firms, or corporations in active concert or participation with Defendant, shall be required to destroy infringing articles including, without limitation, promotional literature and advertisements, pursuant to 15 U.S.C. § 1118;

4. Defendant's application for Puerto Rico Trademark Registration No. 64312 shall be refused and abandoned, with prejudice; and

5. In addition, Oriental Group is entitled to:

(a) an award of treble damages, together with costs, interest and attorneys' fees as permitted by 15 U.S.C. § 1117(a);

(b) such sum or sums as the Court may find to be just pursuant to 15 U.S.C. § 1117(a) and/or Article 1802 of the Civil Code, P.R. Stat. Ann. T. 31 § 5141, in light of Defendants' willful and malicious conduct;

(c) damages to be ascertained at trial, as the Court may find to be just, pursuant to 15 U.S.C. § 1117(d); and

(d) all other and further relief as the Court may deem just and proper under the circumstances.

Respectfully submitted.

**VERIFICATION**

I, Marilyn Santiago, of legal age and resident of Caguas, Puerto Rico, and Vice President – Marketing of Oriental Financial Group, Inc., hereby declare under penalty of perjury that I have read the foregoing Verified Complaint and that, to the best of my own knowledge, information and belief, and/or according to documents and information provided or available to me, all factual allegations contained therein are true and correct.

Executed this 21st day of May, 2010 in San Juan, Puerto Rico.

M Santiago

Marilyn Santiago

In San Juan, Puerto Rico, this 21st day of May 2010.

s/Roberto C. Quiñones-Rivera (211512)
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s/Frank La Fontaine (220301)
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